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# A BILL FOR AN ACT

RELATING TO TEACHER LOANS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that providing a high-  
2   quality education to Hawaii's students allows future generations  
3   to succeed. However, the high cost of living in the State is a  
4   significant concern that contributes to the State's chronic  
5   teacher shortage. Teachers often incur higher expenses to  
6   purchase essential and additional classroom supplies, often with  
7   personal funds, to support their students. Additionally, as  
8   Hawaii's teachers are among the lowest paid in the United States  
9   when considering the cost of living, the department of education  
10  experiences persistent difficulties with teacher recruitment and  
11  retention.

12           The legislature further finds that recruiting teachers to  
13  fill vital positions in Hawaii's schools is extremely difficult.  
14  Due to the high cost of living in the State, acquiring housing  
15  can be a significant obstacle to accepting a position as a  
16  teacher. Additionally, the payroll lag that new state employees  
17  experience exasperates the difficulty in finding teachers to



1 fill these essential positions. A program that incentivizes  
2 teachers to move to areas having hard-to-fill positions will  
3 give the students of Hawaii's public schools a better  
4 educational experience.

5 Accordingly, the purpose of this Act is to provide loans to  
6 teachers who agree to teach in hard-to-fill positions of  
7 department of education schools and public charter schools and  
8 to forgive those loans if the teacher remains in that teaching  
9 position for five years.

10 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is  
11 amended by adding two new sections to part III, subpart C, to be  
12 appropriately designated and to read as follows:

13 **"§302A-A Teacher loans; department of education schools;**  
14 **forgiveness.** (a) There is established the department of  
15 education teacher loan program to be administered by the  
16 department, in partnership with a financial institution whose  
17 operations are principally conducted in Hawaii, to provide  
18 financial support to teachers who agree to teach as a full-time  
19 teacher for five years in:

20 (1) The Hawaii public school system in a hard-to-fill  
21 position including special education, regular



1           education shortage categories, or Title 1 schools, and  
2           in one of the following capacities:

3           (A) As an elementary school teacher teaching in the  
4           field of elementary education who has met  
5           standards as set forth by the Hawaii teacher  
6           standards board; or

7           (B) As a secondary school teacher who has met  
8           standards as set forth by the Hawaii teacher  
9           standards board; or

10          (2) At a school located in a rural area in the State, as  
11          determined by the superintendent.

12          (b) Eligibility shall be determined by the department with  
13 priority for teachers who:

14          (1) Relocate to Hawaii to teach; or

15          (2) Accept a position at a school in a different complex  
16          area in Hawaii.

17          (c) Amounts to be loaned to each borrower shall be  
18 determined by the board and shall not exceed \$5,000 per  
19 borrower.

20          (d) Liability for repayment of a loan shall be canceled  
21 upon the death or permanent total disability of the borrower.



1       (e) Upon a showing of proof that the borrower has met the  
2 requirements of subsection (a) (1) or (2) for five years, the  
3 loan shall be forgiven.

4       (f) If a borrower fails to meet the requirements of  
5 subsection (a) (1) or (2) for five years, then the borrower shall  
6 repay the loan at terms determined by the board; provided that  
7 the terms shall be disclosed before the loan is made, the  
8 interest rate shall not exceed       per cent, and the repayment  
9 term shall not exceed       years.

10       **§302A-B Department of education teacher loan program**  
11 **revolving fund.** There is established the department of  
12 education teacher loan program revolving fund for the purpose of  
13 providing loans pursuant to section 302A-A. Appropriations made  
14 by the legislature, private contributions, repayment of loans,  
15 including interest and payments received on account of  
16 principal, and moneys from other sources shall be deposited into  
17 the revolving fund and shall be expended by the department. An  
18 amount from the revolving fund not exceeding five per cent of  
19 the total amount of outstanding loans may be used by the  
20 department for administrative expenses incurred in administering  
21 the revolving fund."



1 SECTION 3. Chapter 302D, Hawaii Revised Statutes, is  
2 amended by adding two new sections to be appropriately  
3 designated and to read as follows:

4 **"§302D-A Teacher loans; public charter schools;**  
5 **forgiveness.** (a) There is established the public charter  
6 school teacher loan program to be administered by the  
7 commission, in partnership with a financial institution whose  
8 operations are principally conducted in Hawaii, to provide  
9 financial support to teachers who agree to teach as a full-time  
10 teacher for five years in:

11 (1) A public charter school in a hard-to-fill position  
12 including special education, regular education  
13 shortage categories, or Title 1 schools, and in one of  
14 the following capacities:

15 (A) As an elementary school teacher teaching in the  
16 field of elementary education who has met  
17 standards as set forth by the Hawaii teacher  
18 standards board; or

19 (B) As a secondary school teacher who has met  
20 standards as set forth by the Hawaii teacher  
21 standards board; or



1       (2) At a school located in a rural area in the State, as  
2               determined by the executive director.

3       (b) Eligibility shall be determined by the commission with  
4 priority for teachers who relocate to Hawaii to teach.

5       (c) Amounts to be loaned to each borrower shall be  
6 determined by the commission and shall not exceed \$5,000 per  
7 borrower.

8       (d) Liability for repayment of a loan shall be canceled  
9 upon the death or permanent total disability of the borrower.

10       (e) Upon a showing of proof that the borrower has met the  
11 requirements of subsection (a) (1) or (2) for five years, the  
12 loan shall be forgiven.

13       (f) If a borrower fails to meet the requirements of  
14 subsection (a) (1) or (2) for five years, then the borrower shall  
15 repay the loan at terms determined by the commission; provided  
16 that the terms shall be disclosed before the loan is made, the  
17 interest rate shall not exceed       per cent, and the repayment  
18 term shall not exceed       years.

19       **§302D-B Public charter school teacher loan program**  
20 **revolving fund.** There is established the public charter school  
21 teacher loan program revolving fund for the purpose of providing



1 loans pursuant to section 302D-A. Appropriations made by the  
 2 legislature, private contributions, repayment of loans,  
 3 including interest and payments received on account of  
 4 principal, and moneys from other sources shall be deposited into  
 5 the revolving fund and shall be expended by the commission. An  
 6 amount from the revolving fund not exceeding five per cent of  
 7 the total amount of outstanding loans may be used by the  
 8 commission for administrative expenses incurred in administering  
 9 the revolving fund."

10 SECTION 4. There is appropriated out of the general  
 11 revenues of the State of Hawaii the sum of \$ or so  
 12 much thereof as may be necessary for fiscal year 2023-2024 and  
 13 the same sum or so much thereof as may be necessary for fiscal  
 14 year 2024-2025 for deposit into the department of education  
 15 teacher loan program revolving fund established pursuant to  
 16 section 302A-B, Hawaii Revised Statutes.

17 SECTION 5. There is appropriated out of department of  
 18 education teacher loan program revolving fund the sum of  
 19 \$ or so much thereof as may be necessary for fiscal  
 20 year 2023-2024 and the same sum or so much thereof as may be  
 21 necessary for fiscal year 2024-2025 for the department of



1 education teacher loan program established pursuant to section  
2 302A-A, Hawaii Revised Statutes.

3 The sums appropriated shall be expended by the department  
4 of education for the purposes of this Act.

5 SECTION 6. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$ or so  
7 much thereof as may be necessary for fiscal year 2023-2024 and  
8 the same sum or so much thereof as may be necessary for fiscal  
9 year 2024-2025 for deposit into the public charter school  
10 teacher loan program revolving fund established pursuant to  
11 section 302D-B, Hawaii Revised Statutes.

12 SECTION 7. There is appropriated out of public charter  
13 school teacher loan program revolving fund the sum of  
14 \$ or so much thereof as may be necessary for fiscal  
15 year 2023-2024 and the same sum or so much thereof as may be  
16 necessary for fiscal year 2024-2025 for the public charter  
17 school teacher loan program established pursuant to section  
18 302D-A, Hawaii Revised Statutes.

19 The sums appropriated shall be expended by the state public  
20 charter school commission for the purposes of this Act.





1           SECTION 8. In codifying the new sections added by sections  
2 2 and 3 of this Act, the revisor of statutes shall substitute  
3 appropriate section numbers for the letters used in designating  
4 the new sections in this Act.

5           SECTION 9. New statutory material is underscored.

6           SECTION 10. This Act shall take effect on June 30, 3000.



# H.B. NO. 1223 H.D. 1

**Report Title:**

DOE; State Public Charter School Commission; Teacher Loans; Loan Forgiveness; Teacher Incentives

**Description:**

Establishes a teacher loan program to encourage individuals to become teachers in hard-to-fill positions of department of education schools. Allows the loan to be forgiven after five years of teaching in a hard-to-fill position. Establishes a similar teacher loan program for public charter schools. Effective 6/30/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

